

NON-DEPARTMENTAL

Description: The Non-departmental budget is a constructed category within the General Fund that contains funding to pay for expenditures that are not attributed to specific agencies or departments. This category also includes County maintained reserves for unforeseen, unpredictable, and unusual events. Most expenditures are treated as reserves which are subsequently allocated to the various programs during the fiscal year. Itemized expenditures and transfers are followed by a summary description of each category.

	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Adopted	FY 06 Proposed
Total Expenditures	\$2,332,199	\$2,663,015	\$3,608,438	\$4,044,312	\$11,547,000

Major Expenditures and Transfers	FY 02 Actual	FY 03 Actual	FY 04 Actual	FY 05 Adopted	FY 06 Proposed
Annual Leave Payoff – Termination	----	----	----	\$340,000	\$370,000
Compensation	----	----	----	----	\$8,300,000
Physical and Occupational Health Examinations	----	----	----	\$475,000	----
Exceptional Achievement Awards	----	----	----	----	\$650,000
Personnel Vacancy Savings	----	----	----	(\$3,174,534)	(\$7,500,000)
Tax relief - Elderly and Handicapped	\$1,192,119	\$2,086,333	\$2,444,129	\$2,000,000	\$4,000,000
Major Computer System Upgrades	----	----	----	----	----
Training and Professional Development	----	----	----	\$60,000	\$60,000
Interest Expense	\$40,080	\$76,682	\$464,309	\$150,000	\$150,000
Computer Hardware and Software	----	----	----	\$458,744	\$767,000
Applicant Background Investigations	----	----	----	----	\$100,000
Bloodborne Pathogens/Infection Control	----	----	----	----	\$150,000
Youth Initiative (2.00 FTE)	----	----	----	----	\$150,000
Innovative Technologies	----	----	----	----	\$500,000
Contingency for Litigation	----	----	----	\$2,250,000	\$2,250,000
Budget Contingency	----	----	----	\$435,102	----
Transfer to Self-Insurance Fund	\$1,100,000	\$500,000	\$700,000	\$1,050,000	\$1,600,000

Description of Major Expenditures and Transfers

Annual Leave Payoff – Termination: Payout of annual leave balances upon employees' departure from employment is included in the Non-Departmental budget and allocated to departments' personnel budgets as needed.

Compensation – The FY 06 Proposed Fiscal Plan continues current practice by including a compensation package based on two components. The compensation proposal maintains the County's commitment to consistent pay delivery practices and market competitiveness within the public sector by recommending a 3% cost of living adjustment. In addition, the FY 06 compensation proposal includes a 4% performance-based increase for non-senior staff and a 3% increase for senior staff level employees. The proposed cost of living adjustment would address the corrosive effect of inflation on consumers' buying power, with the Consumer Product Index for the Washington-Baltimore region at 3.6% in 2004. In addition, an analysis of employee compensation provisions in neighboring jurisdictions indicated that the County's 4% increase in FY 05 was not sufficient to maintain pace with the regional market, with increases averaging 5.43% among local jurisdictions. This analysis supports the findings of a 2004 study which indicated that the County had fallen approximately 1.5% behind its goal of maintaining a compensation structure within 5% of the regional average. Federal employees stationed in the Washington area received a 3.71% average cost of living adjustment in January 2005. The Federal COLA is in addition to annual merit increases..

The FY 06 compensation proposal also includes \$400,000 for the development and implementation of a separate pay plan system for the uniformed Firefighter/EMT and Fire Enforcement positions. This enhancement will also resolve potential internal equity and/or compression issues and the development and implementation of a Master Technician Program. Each program is described as follows:

- **Competitive Pay Plan Structure** – Develop and implement a separate Fire and Rescue pay plan system that will accommodate the hierarchical rank structure and enhance the County's ability to maintain competitiveness with surrounding jurisdictions for starting salaries and overall pay delivery. Most recent surveys indicate that the County's current pay structure for Firefighter/EMTs and Fire Enforcement will require revision to be more competitive with neighboring jurisdictions.

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- Internal Equity and Compression –Resolve compression and/or equity issues that may have occurred as a result of implementing a new pay structure and address any inequities in pay. Compression resulting from rapid growth, the introduction of new rank levels, and the establishment of new minimum qualifications for entry level positions will be addressed.
- Master Technician Program – Implement the Department of Fire and Rescue Services' Master Technician Program, which would create a non-supervisory career path for Firefighter/EMTs who otherwise, could only opt for the current supervisory career path. This program is intended to stimulate career development, encourage the maintenance of a high level of job performance and provide additional opportunities for continuing education. The department strongly believes this program will assist in recruiting and retaining the most highly qualified and dedicated career employees, as this career opportunity would focus employees' efforts toward knowledge and skill based development and further prepare them for other advancement opportunities. The anticipated results of this program are improved service delivery, higher customer satisfaction and a more highly motivated, professionally skilled workforce.

Physical and Occupational Health Examinations: The Board approved an FY 05 enhancement to provide funding to contract for physical and occupational health examinations for the Departments of Fire and Rescue, Sheriff's Office, Animal Care and Control, Commonwealth Attorney and Social Services/Youth Programs. These funds were used to contract for an occupational health consultant to develop standards and examination criteria for other non-Public Safety Organizations. The contracted program was assigned to the Department of Management and Financial Services subsequent to adoption of the FY 05 budget and is included in that department as part of the FY 06 Proposed Fiscal Plan.

Exceptional Achievement Awards: County policies include provisions to permit individual and team awards in recognition of outstanding achievement. These provisions are important tools for supporting an organization that recognizes, values and rewards its employees. The Board of Supervisors eliminated funding for employee and individual team bonuses during the FY 05 budget process. These programs are successful tools in providing incentives to employees who achieve extraordinary accomplishments for the County. Recent market information indicates that 77% of companies offered some form of special recognition program in 2004, up from 66% in 2001. The FY 06 Proposed Fiscal Plan includes \$650,000, or about one half of one percent of the County's payroll, to restore this valuable program. Funding the Employee Achievement Award program provides an important incentive to motivate and recognize exceptional performance at a time when resources are limited and service demands continue to grow.

Personnel Vacancy Savings: The County budgets savings resulting from employee turnover in the Non-Departmental budget. Actual savings occur through expenditure balances in departments' personnel budgets.

Tax Relief for the Elderly and Handicapped: The County provides relief from real property taxes to elderly and disabled residents meeting certain income criteria. The Board of Supervisors increased the benefit to provide a complete waiver in FY 02 and increased the eligibility criteria in FY 05. The FY 06 Proposed Fiscal Plan increases the allowance for the tax relief benefit to account for the higher implementation cost.

Training and Professional Development: The Board eliminated \$300,000 in discretionary travel and professional development from department budgets during the FY 05 budget process and established a centrally-managed resource to be managed by the County Administrator.

Interest Expense: The County budgets interest payments on real and personal property tax refunds in the Non-Departmental budget.

Computer Hardware and Software: Scheduled replacement of computer hardware and software is budgeted in the Non-Departmental and managed centrally by the Department of Information Technology. The County budgets replacement of personal computers on a 5-year schedule.

Applicant Background Investigations: The Proposed Fiscal Plan includes a \$100,000 contingency for outsourcing the background investigation process for Fire and Rescue Services. Currently, Fire and Rescue uses existing staff in the Fire Marshal's Office and/or a County designated staff member to conduct applicant background investigations. The staff performs investigations along with the other duties and responsibilities they are assigned. The current process is both insufficient in meeting the overall standards for employment, inconsistent due to time constraints and continuity of staff actually performing the investigations and difficult to manage due to shifting work priorities and intensive work load. Research into the cost and feasibility of outsourcing for a more thorough background investigation process for Fire and Rescue indicates that a contractual relationship would result in greater uniformity and efficiency in standardizing investigation criteria and processes, a reduction to the internal resources dedicated to the post-conditional offer hiring process, and a greater potential for hiring higher quality

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candidates for entry into the recruit academy and eventually the workforce, increasing both performance and retention capabilities

Bloodborne Pathogens/Infection Control Physicians Group: In accordance with 29 CFR 1910.1030, Occupational Exposure to Bloodborne Pathogens, the County is required to provide free medical evaluation and treatment to employees who experience an occupational exposure to human blood or other potentially infectious materials. The employer must refer employees to a licensed health care provider who will provide appropriate follow-up, counseling, diagnostic testing and treatment. In accordance with County's Bloodborne Pathogen policy, the County Health Department currently serves in this role; however, research indicates that outsourcing this function would provide greater medical coverage and service and place the County in greater compliance with Federal and State regulatory requirements. Advantages to outsourcing this program include greater service coverage (24 hours a day-7 days a week), improved contact with the exposed worker receiving health care, resources to ensure that appropriate testing and immediate and appropriate treatment occur, greater counseling services to exposed workers as required by OSHA, and potential cost savings to the County due to faster and/or more effective expert medical care.

Youth Initiative: The Board of Supervisors' Human Services Committee voted at its January 19, 2005 meeting to recommend that the Board of Supervisors approve the addition of 2.00 FTE to implement the Loudoun Youth Initiative, which is a coordinated approach to addressing community issues impacting the County's youth. The FY 06 Proposed Fiscal Plan includes a \$150,000 contingency pending implementation of the Youth Initiative proposal.

Innovative Technologies: During the Fall 2004 Program Review process, the Board of Supervisors directed staff to place an emphasis on the use of new technology to enhance efficiency and productivity. The FY 06 Proposed Fiscal Plan includes \$500,000 for the creation of an Innovative Technology Fund that would provide a dedicated resource for automation based solutions and improvements. Examples of initiatives that may be implemented during the coming year include improved access to County systems for telecommuting, imaging and document management systems, indexing of Board meetings and citizen issue tracking systems and video webcasting of Board meetings.

Contingencies: The County budgets contingency funding for new initiatives and anticipated, but not definite, expenses in Non-Departmental. The FY 06 Proposed Fiscal Plan continues the prior practice of budgeting a litigation contingency.

Transfer to Self-Insurance Fund: Health insurance, risk management and workers' compensation are funded by annual transfers to the County's Self-Insurance Fund. The appropriation is recalculated annually based on fund performance.

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